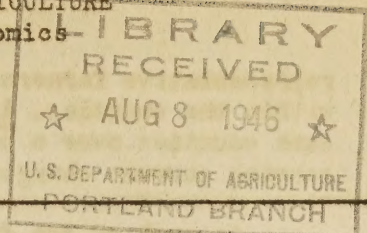


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SOME POSTWAR RURAL TRENDS IN THE PACIFIC NORTHWEST

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INTRODUCTION

Farm families and rural communities in the Pacific Northwest as in all rural America have been affected by the economic and social changes of the war years. Some changes have resulted in drastic adjustments, others have not. Some families and some communities have been forced to make sharp adjustments, others have been much less affected. Wartime changes in this region have been aggravated by rapid industrialization to build ships and planes, a process which caused many population shifts within the region and drew a big flow from outside.

Now that the postwar period is here, the scene is set for another series of changes. Some may be readjustments back to former conditions. Some may be a picking-up of prewar trends. Some may be entirely new. Whatever they are, they have meaning for rural people and communities.

The purpose of this report is to state changes that are taking place and adjustments which are being made in the rural Pacific Northwest since the end of the war. Particular attention is given to population migration and occupational shifts, employment conditions, veterans' adjustments, and farmers' use of increased incomes and savings.

Field data were collected and observations were made in four counties: Ada and Bingham in Idaho and Clark and Franklin in Washington.

Information was obtained during October through December 1945, by interviews with county and local agency and organization officials, with



representative farmers and by tabulation of records kept by agencies within the counties. 1/ Other brief surveys on rural-life trends in these same counties over a period of 1 to 3 years gives a basis for better observing current changes.

As each of the four counties was originally selected to represent a stratum of major type-of-farming areas crossing regional lines, no claim is made that they are wholly representative of all the Pacific Northwest. They do represent certain kinds of common situations, ranging from greatest to least change, as a result of war and reconversion. Clark county, Washington, is at one extreme because of the great expansion in employment and population when Kaiser shipyards were located at Vancouver. Franklin county, Washington, ranks next in change because of the overflow effects of employment at the Richland atomic bomb plant. Ada, Idaho, follows, having a large air base but little industrial expansion. Bingham, Idaho, represents the least change, having no military installations and little industrial expansion within its borders; it does have some overflow effects from the naval installation at Pocatello.

#### POPULATION MIGRATION AND OCCUPATIONAL SHIFTS

Three major changes characterized farm-population shifts in the Northwest during the war years. First, in nearly all rural areas any distance from a center of industrial expansion or a military installation, the farm population declined. The loss was due chiefly to the departure of young and middle-aged single men to the armed forces and to non-farm jobs. Young single women also went to non-farm jobs. Where entire families left, they were, typically, farm laborers or low-income farm operators. Not uncommonly, only the family head made the move to a distant war job. Second, within commuting distance of centers of industrial expansion or military installations, there was generally an increase in farm-resident population as the influx of war workers and their families overflowed into the country to find housing. These newcomers were counted as additions to the farm population by virtue of living on a small tract of land or carrying on part-time farming. Third, farm people shifted to non-farm work without moving away from their farms. This change was especially marked around centers of war work. Typically, the shift was made by the operators of smaller and poorer farms, and not by operators of larger and more productive farms.

Rural non-farm population reacted to war conditions in much the same way as the farm people. Around war centers the overflow population filled up the surrounding villages. At a distance from war centers, many villages lost population, the loss being mainly young men and women entering service or war jobs or lower-income families going to better-paid work elsewhere. Living in a rural non-farm residence within commuting distance of work increased. Families of service men and emigrant war workers often located in villages for cheap housing or to be near relatives. Around larger cities the growth of a suburban fringe - a mixture of rural residences and part-time farming on a small scale - was speeded up.

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1/ Collection of data was guided by a set of questions uniform for all 71 counties in which this study was made by the Bureau of Agricultural Economics. Reports based upon the work in counties in other regions are available.



V-E and V-J Days brought a reversal in some wartime trends in the Northwest's farm population and a continuation of others. First, where there had been a net loss, the decreases were checked and usually reversed. 2/ Second, where there had been increases, the gains were at least held and were usually continued. Third, with the cut-back in war jobs, farmers who had shifted into non-farm work without giving up their farms began to build back their agricultural activities. Fourth, families who had bought small rural tracts primarily to have housing began to turn to farming when their war jobs ended.

Net additions to the number of farm people accompanied the war's ending for several reasons. Discharged veterans have been returning faster than men have entered service. The cut-back in war jobs removed much of the immediate stimulus to further cityward movement; anyway, most candidates for war-jobs had long since been drawn away. Small trickles of a "back-to-the land" movement by discharged war workers and non-farm veterans are evident at scattered points. Where in evidence, poorer lands are usually involved. In Clark county, Washington, for instance, movement is reported to cut-over lands not recommended for full-time farming and not considered suitable for part-time farming without a dependable non-farm income. Desire for security, for independence, for the assumed advantages of rural living underlie most of these moves. In some communities, an increase in numbers was noticeable as the result of the exchange of families; older farmers retiring or selling out gave way to younger men with larger families.

War workers new to the region began to leave in the closing months of hostilities spurred by the wish to get back to "normal" living, to their families, and to a job which would continue after the war. After V-E Day, strong efforts were made to persuade workers to remain on their jobs and to recruit new workers. V-J Day was followed by sharp cuts in employment and by an exodus "back East". Occupancy in the Vancouver housing projects (Clark County, Washington), for instance, totaled 11,263 units at the peak, averaged 8,471 in August 1945, and was down to 6,025 at the end of December 1945. 3/ Problems were created for some communities along the main highways leading "back East". One school district, for instance, which includes several tourist homes and trailer camps, has a swollen school enrollment and high student turn-over as families on the move put their children in school while stopping for a few days or weeks. An occasional family whose resources are exhausted is given relief help to continue on the way "back home".

#### SHIFTS IN FARM LABOR UTILIZATION

Farmers of the Northwest joined with those in the rest of the Nation to increase food production during the war years despite a reduction in the normal sources of labor. Generally, production shifts were in response to the combined effects of price incentives, comparative returns, sense of patriotism, and the labor situation.

Most farmers worked harder for longer hours. Farm women and children helped out more, especially in driving tractors. Labor-saving equipment

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2/ For the region (Idaho, Oregon and Washington) the decline in farm population was checked and slightly reversed during 1944.

3/ Units average 3.7 occupants. The December 1945 figure does not fully reflect departures because nearly one-sixth are service men, service men's families, or returned veterans.



such as tractors, pick-up hay balers, swathers, buck-rakes, side-delivery rakes, combines, manure loaders, and milking machines were acquired as fast as they were made available. Labor-saving practices were adopted. Haying was particularly affected by new ways and new machinery. Maintenance of fences, irrigation ditches, and buildings was postponed. Some sought to get or hold hired men by improved housing as well as by higher wages. Unusual sources of labor have been used. These include prisoners of war, Mexican Nationals, Jamaicans, Japanese evacuees, workers recruited from Southern states, soldiers on leave, children, townspeople, war workers from "graveyard" and "swing" shifts, and county jail prisoners. Individual operators dropped or reduced some enterprises as a result of labor problems. Some shifted to more row-crops because the unusual sources of labor were better adapted and more likely to be available for their harvest than for the production of other crops or livestock. The dairy and general livestock farmer who was accustomed to having a hired man by the month part or all of the year, and sheep operators, were considered hardest hit by the labor situation. Where operators shifted to off-farm work without changing residence, farming activities often were reduced to a level that could be handled during off hours and by the women and children. Crops with high labor requirement and dairying were most likely to be reduced on such units.

Some adjustments to meet farm-labor problems involved group action or the help of State and Federal agencies. Thus exchange work among neighbors and custom work increased. Arrangements were made for school vacations timed with harvest needs. Groups of farm employers were organized, some legally incorporated, with the help of the agricultural Extension Service to contract for workers from other parts of the United States, and for prisoners of war. Labor camps were set up to house and feed these laborers. Such agencies as the Office of Labor, the State Department, and War Department had a hand in arranging for workers. The Extension Service has carried out its farm placement duties assigned by Congress. In Idaho, the U. S. Employment Service did this job for the Extension Service, under contract. The Office of Labor, the Extension Service, and local committees all had certain responsibilities for the wage-stabilization program. Specific wage ceilings for certain farm tasks were put into effect in many communities; one purpose was to stabilize the labor supply by preventing "pirating" and "shopping around".

Although the farm-labor situation continued to be tight during 1945, harvesting was generally accomplished much more smoothly than in earlier war years. Farmers had worked out more satisfactory adjustments. Labor recruiting and placing machinery, drawing upon past experience, came closer to meeting needs. Many users had praise for the work of the prisoners of war.

Around some military bases, V-J Day "brought the end of labor problems" for the fall harvest, as discharged soldiers and those given leave turned briefly to farm work. Some discharged men returned in time to help their relatives with fall work. Few veterans, however, have yet gone back as year-round hired laborers, and few of those returned have expressed a wish to stay on those terms.

War's end did not bring many discharged war workers into farm work although here and there a few could be found getting in a short time at such tasks as fruit picking. As operators who had commuted lost their war jobs



and turned back to farming, relief from some of their duties was promised wives and children.

Mechanization continued during 1945 and is expected to keep on. Some older men who kept on farming during the war out of a sense of duty or to hold a place for a son are hoping they can now retire. Looking immediately ahead, many farmers now expect next year to bring labor problems more acute than ever, particularly if industrial employment is at a high level. They do not expect prisoners of war and imported workers to be available but wish they would be. They fear that war workers and veterans will not want to help on farms. Controls to keep workers on farms have been generally lifted.

#### MIGRATION AND EMPLOYMENT OUTLOOK

The demobilization speed-up can be expected to bring the discharge of a majority of servicemen from both farm and non-farm areas in all parts of the region within the next few months.

Rural communities which workers left to go to distant war jobs did not generally report any marked return movement by November 1945. Opinion varies as to the proportion of war workers who will return to the farm in these areas. Recognition is general that the extent and permanence of return to the farms by both veterans and war workers will be greatly influenced by non-farm job opportunities. Unemployment compensation and readjustment allowances are believed to be delaying such return. Local opinion in the affected areas leans in the direction of thinking that much of the loss of farm population is permanent.

Around war centers and in the areas of poor land, the pressure of war workers and veterans for farms is expected to continue. Whether the population of war centers themselves goes downward to nearer prewar levels or holds up closer to war levels is expected to depend largely upon whether war industries are replaced.

In nearly all areas the return of war workers and veterans in any number will increase the acute shortage of housing. Retirement of some farmers will increase this pressure on non-farm housing. In some places school officials anticipate overcrowding of facilities if any number of people come back to their home communities.

Not to be overlooked in speculating about future migration trends is the possible effect of hundreds of thousands of war workers and veterans having been exposed to the Northwest for the first time. Indications are that many were favorably impressed and will want to come back to stay. The Northwest might be called a last remaining frontier. Regional confidence in its expansion and future will be a drawing power. New irrigation developments are an attraction to potential farmers.

Relief is rather general within the counties studied that local agriculture can reabsorb all the veterans and war workers who left and want to return, but would be hard pressed if there were any in-migration of newcomers. Opportunities as a farm operator are generally limited to the replacement of older men who wish to retire. In the face of high prices for good farms and the relative scarcity of them, veterans and war workers



are expected to continue to buy cheaper farms on the poorer land. Advice alone is proving to be not enough to keep land-hungry people off poor land.

Some farmers are concerned with future employment and operator opportunities even if only those return to agriculture here who left it. The point is made that continued mechanization and increased use of labor-saving devices not only reduce the number of hired laborers needed but are a pressure to increase the size of individual units which would reduce the number of farm operators.

Expansion of non-farm employment in the region was centered about shipyards, airplane and other war plants, and military installations. Jobs for all could not possibly be provided by reconverting to prewar production. Construction of housing and needed public works will take up some of the slack. Such construction was getting underway by the end of 1945 although impeded by shortages of materials. Some plans were being scaled down because of high prices and wages. By January 1946, unemployment was climbing rapidly as measured by unemployment compensation claims, readjustment allowances, and job placements compared with job applicants. In the long run the region must have industrial expansion if it is not to go back to prewar relief-type programs for non-farm workers.

#### PLANS TO MEET POSTWAR EMPLOYMENT PROBLEMS

So far there has been little organized community or county-wide activity dealing with postwar farm employment or land-settlement problems because generally no need has been felt for it. Groups of the Grange have had postwar planning committees at the county and local levels. <sup>4/</sup> In one of the counties studied, discussion was given to preventing postwar settlement on poor land. Agricultural colleges have issued bulletins dealing with farm opportunities. Nearly all counties have groups organized to deal with the agricultural problems of veterans; these are discussed in the next section of this report. Agricultural Extension Service workers, Farm Security supervisors, Farm Credit men, and others, give information and assistance to individuals upon request. Informal contacts between agency representatives and the USDA Agricultural Councils give some coordination of these activities. New irrigation developments planned or underway will open up some opportunities.

Farmers who are concerned with trends that are interpreted to mean decreasing opportunities in agriculture are making some suggestions. They include limiting the size of farms, adapting machinery to small farms, opening up new land, shorter work days and weeks for farmers, and expanding non-farm opportunities. Some of these suggestions are rather commonly expressed within certain farm groups, but as yet they have no organized group support.

Generally in the county seats, the Chamber of Commerce, civic organizations, and city officials, have discussed the employment and business outlook. Some have conducted surveys of probable employment. The Committee of Economic Development of the U. S. Chamber of Commerce has cooperated with some of the surveys. There have been organized efforts to attract new

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<sup>4/</sup> The Grange is the only general farm organization represented in the counties studied.



industries and to hold established military installations. Independent business concerns have their own plans for modernization and expansion. Local governments have plans for construction of sewers, roads, schools, port development, weed control, etc. Federal agencies are going ahead with plans for reclamation, power, flood control, and other developments which will provide many jobs.

In some communities dominant groups feel confident of local ability to provide full employment without Federal "interference", but in other areas, where war industries have brought great increases in wartime population, there is a feeling that the postwar employment problem is not only much too big for local solution, but that in a large measure it is not a local responsibility.

#### VETERANS AND ARRANGEMENTS FOR ASSISTING THEM

Communities that were depleted of their young men by war are now getting them back in large numbers. An analysis of records for the four counties shows that from 71 to 84 percent of the selective service registrants whose present age is 18 to 25 have been in the armed forces. From 25 to 38 percent of the older registrants have seen service. 5/ Relatively slightly fewer farm than non-farm men were in uniform.

From 23 to 47 percent of the servicemen from these counties had already been discharged at the time of the survey, the lower figure being for October and the higher for December. 6/ From 15 to 54 percent of servicemen drawn from the farms had been discharged. In two counties the discharge rate was higher for farm than for non-farm veterans; in one the rate was lower, and in one both were the same. The discharge rate has been higher for men aged 26 and over than for the younger men, both for farm and non-farm.

Within 10 days of discharge a veteran must contact a local Selective Service Board, usually located at the county seat. This is the only agency which is sure to have at least one contact with every veteran. At this time he is urged to record his discharge papers, told where to register for a sugar ration book, directed to sources of help or further information if either is wanted, and asked to come back if any more assistance is desired. Usually this interview is brief, partly because the Selective Service staff is pushed to handle the large number of men coming in each day, and partly because most of the men are anxious to get the formalities finished. At least until the end of the field survey, men were generally saying they were not in need of any immediate help, because their plans were indefinite, or because they already knew what they were going to do, or because they didn't want any "special" treatment. Few repeat calls for help were being made. The expectation is that requests for help will increase after men have had time to rest and make plans, and as fewer good jobs are to be located easily.

Selective Service officials can refer veterans, or the veterans can go on their own initiative, to a variety of Federal and State agencies and local organizations, each dealing with some specific problem. Each local

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5/ This is all men aged 26 and over who have been in service as a percentage of registrants whose present age is 26 - 44.

6/ Percentages for individual counties were: A, 26 as of October 22; B, 23 as of October 26; C, 47 as of December 12; and D, 44 as of December 18.



board itself has two or more reemployment committeemen - with few exceptions city men - to advise and assist veterans. The chief other agencies, within each county or nearby, include a contact representative of the U. S. Veterans Administration; the U. S. Employment Service which has special veterans' placement personnel (readjustment allowances are also handled through the U.S.E.S. offices); a representative of the State department of veterans' affairs; the Farm Security Administration; the American Red Cross; the veterans' organizations, each of which have service officers; and the agricultural Extension Service. Most counties have a veterans' advisory committee for the Extension Service, which, however, has generally been little used so far. The Farm Security county committee has a member to represent veterans' interests. Secretaries of some Chambers of Commerce are doing a lot of placement work in their capacity as reemployment committeemen. This and other civic organizations sometimes have special veterans' committees. Efforts have generally been made to organize community-wide committees representing all local groups and agencies interested in veterans' welfare. In one instance, subcommittees for loans, education, insurance, and legal aid were set up and committees planned for vocational rehabilitation and employment. Larger centers have additional agencies or groups offering services to veterans. Some variations in arrangements follow State lines.

Invariably these agencies and groups working with veterans are concentrated in the county-seat town, and some of even the most important agencies do not have personnel full-time in the smaller county seats. Representatives of the different agencies are frequently located in different buildings. Thus their effectiveness for serving rural veterans outside the normal community area is limited. Generally, outside of county seats the only direct contact for help is provided by service officers of local American Legion posts, local Red Cross representatives, or members of the Extension or FSA committees. Inquiry indicates that these sources are not commonly known to local people generally.

Considerable overlap in personnel of groups and agencies provides some coordination of activities. The most successful coordination appears to be on an informal basis. Most of the efforts to organize local community-wide groups to sponsor and coordinate veterans' programs formally have failed in some degree. Lack of sufficient need for committee action following organization, satisfactory functioning of official agencies, jealousies between agencies and groups, and conflicts of personalities are all given as reasons for the break-up or decline of these community coordinating efforts.

#### ECONOMIC AND SOCIAL ADJUSTMENTS OF VETERANS

Agriculture - So far there has been no evidence of any unusual permanent return movement to or withdrawal from agriculture on the part of returned veterans. In one county, about three-fifths of those whose plans were on record with the local Selective Service board expected to return to agriculture; this is only slightly under normal replacement needs for the county. A common practice for those with close family connections in agriculture is to go back on the farm, either with the intention of staying permanently or to take time to make plans. Former hired laborers without such connections are more likely to try to find a non-farm job that will pay them better. The general tendency is to reenter agriculture at



the status previously held, except for those who get a start as owner or tenant with the help of relatives.

Where poorer, cheaper land is available, a considerable number of veterans with no farm experience and often with little capital are making inquiries of the Extension Service, trying to get loans from credit agencies, and buying land. Elsewhere little interest in agriculture by non-farm veterans is reported. Neither farm nor non-farm veterans are much interested in farm labor; almost all want to be operators. Until recently when a veteran sought a permanent farm-labor job through a placement agency, he usually was a medical dischargee who felt he couldn't stand the nervous strain of an industrial job or had already tried such a job and found he couldn't stand it.

There are clearly not enough opportunities for all who want to be owners or even tenants. Land is generally priced too high to permit many loans to be made under the GI Bill. The recent revisions will improve the ease of getting a loan but there is feeling that going heavily into debt to buy high priced land is not in the best long-run interest of the veterans. Difficulties in getting a GI farm loan have also been a barrier. Most non-government lenders have not been acquainted with the necessary procedures. At least one insurance company is making farm loans with some GI privileges, but is said to be taking only the "cream" of the risks. Veterans are reported to be having difficulty in locating farms to rent. For men with limited capital, the high price of livestock and equipment is an obstacle in getting started. The scarcity of machinery has been one more block. Present prospects are that the veteran who has relatives on a farm who are willing to help him will have the best chances for being an owner or renter in the near future.

Veterans seeking a loan from the Farm Security Administration, the farm loan associations, or production credit associations must themselves locate a farm.

At the time this survey was made, 10 operating loans to veterans had been approved by the Farm Security Administration in the four counties. Eight were to tenants, and two to men buying on a purchase-contract basis. One loan for farm purchase had been locally approved. This agency is usually named as doing an excellent job of helping agricultural veterans with its loan and supervisory services. Inquiries greatly outnumbered the approved loans. Lack of adequate farms that are reasonably-priced have limited what can be done. Many applicants, of course, do not meet the qualifications for either an operating or a farm-purchase loan.

Information for three counties shows that the national farm loan associations have closed no loans to veterans although one is pending. Again inquiries have been numerous, but lack of capital, lack of experience, and inability to locate a good farm at a reasonable price have prevented the loans. There was no difficulty in placing men with farm experience who applied to the farm-placement services, through this survey period. However, a high turn-over was reported; in one county only 1 of the first 48 placed in year-round jobs stayed any length of time. The turn-over of the early placements was attributed generally to the fact that many of the men had medical discharges.



Farmers as a group are reported to be greatly interested in veterans' problems. In a few localities, surveys of farm opportunities for veterans are beginning to be made. Some attention has been given to using the benefits of the GI Bill for providing "on job" training in agriculture.

The characteristics of farm veterans have some bearing upon the likelihood of their returning to agriculture and of their possible problems. In the four counties an analysis was made of some characteristics of selective service registrants with a war record whose major prewar occupation was agriculture. 7/

From 49 to 63 percent of the farm veterans are under 25 years of age at present, the age group from which many farm youth normally leave agriculture. Between 4 and 6 percent are 38 years old and over.

Wage hands and unpaid family laborers made up three-fourths of the farm veterans in every county. Farm operators - owners, joint-owners, and tenants - made up less than one-fourth. In nearly every case the operators were on small units that did not meet minimum production requirements for agricultural deferment. Joint-owners were usually young, single men who had recently become partners with a relative. In addition to these full-time farm workers, there were others for whom agriculture was the secondary occupation. As a rule, such men owned a small tract but worked at a non-farm job, or worked at a non-farm job but lived on a farm where they helped with chores and other work. This group was about one-tenth as large as the full-time farm group in Bingham County, one-third in Ada and Franklin, and three-fourths as large in Clark County.

From 38 to 58 percent of the veterans whose major occupation was agriculture had been farming with a close relative, usually the father. Adding those who owned land, in three out of the four counties between half and two-thirds of the farm veterans had a direct link with agriculture to which most could probably return. Wage hands are the group with the smallest proportion farming with relatives, ranging from 13 to 26 percent. While the "unpaid" family laborers were nearly all on the home farm, most were youths who went into service at about 18, and many, therefore, would normally have left the farm even without the war.

Non-farm employment - Veterans who returned before V-J Day and for the first 3 or 4 months afterward were reported as having little difficulty in obtaining jobs. By the end of December, the situation was changed. In most areas, openings for non-farm jobs with the placement agencies were running below current demand. Many of the registered jobs were not particularly attractive. The number of veterans drawing readjustment allowances was beginning to increase rapidly. Officials foresaw a rapid increase in unemployment of veterans in early 1946 if the situation didn't change quickly; this applies particularly where closing of war plants or military installations has reduced the number of available jobs. The lack of prewar occupational experience is a handicap for the young men now returning. At the same time, men with highly-specialized skills of some types are said to

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7/ Made with the approval of the respective State Selective Service headquarters and cooperation of the local Selective Service boards.



be placed with difficulty because of the limited number of openings even in the larger centers for their particular abilities. So far, little difficulty has been experienced with re-employment rights.

The high turn-over of recently-retuned veterans is most frequently commented upon by employers. Many, of course, are just shopping around while trying to map out long-time plans. Another comment is that most of the men have wanted no special consideration because of being veterans and have wanted to find jobs "on their own" without special help.

There has been considerable interest in establishing small businesses. The GI loan privileges are generally considered to have been of little help in getting established. Prevailing opinion is that newly discharged veterans do not realize the difficulties involved in getting GI loans.

Education - The observation was frequently made by local people that the educational assistance rights gave the veterans their "best deal" under the GI Bill. At the time of field work, however, only a few veterans were indicating they planned to take advantage of these rights. The situation may change greatly. Some local officials believe many of the men will be interested in further education. Others insist that if job prospects are good, schooling will have little attraction because men feel they are getting too old, it would take too much time, and courses haven't yet been adapted as much as they wish to fit their special needs.

A few men have re-entered high school. Usually this is limited to the larger schools where a veteran does not feel so conspicuous. An accelerated program is usually offered them. GI assistance is saved for college work. A number of men do not need to return to high school to graduate as diplomas are granted them on the basis of training received while in service.

Interest appears to be about equally divided between college and vocational training. The shortage of housing at the larger institutions is a particular handicap for married veterans. Those living within commuting distance of colleges have an advantage. Reopening of a Junior College in one of the sample counties and special provisions being made for veterans by the Junior College in another county will permit nearby veterans to get advanced training who might otherwise find it too difficult.

Group and community life - The great interest of most veterans is to get back to "normal" and to be "let alone". On the whole, the return of veterans so far has not made any unusual problems for group organizations or local communities. Generally, there has been little evidence of much participation in organized activities. Some veterans have joined established veterans' organizations. In one instance a group of their own is being started.

Shortage of housing is the chief unmet problem of veterans. In at least one of the counties there has been group action by veterans to draw attention to this problem.



## FARM FAMILIES USE OF INCREASED INCOMES AND SAVINGS

Savings of individual farm families correspond roughly with earning capacity, as represented by the productive resources they controlled during the war period. Thus larger operators, having greater production possibilities, usually had a chance for greater savings. What were considered low-income and part-time farmers have generally improved their economic condition substantially. For many such farmers, especially around war-industry centers, the improvement is a result of the operator's shift to full-time non-farm work while maintaining the farm on a "standby" basis with family help and off-shift labor. Although not the result of farming, the savings of this latter group are a part of present and future agricultural buying power.

Uses farm people are making of increased incomes and savings - Debt liquidation has been the most important use to which savings have thus far been put. This is true at all income and tenure levels. The one exception was the wheat growers in one county, largely owners of long standing, who previous to the war had not been in a position to obtain loans for expansion of holdings, and so had no heavy burden of debts to be paid off. The motives for debt liquidation appear to be at least two. First, most farmers are pessimistic about future farm prosperity and believe that their best anchor to windward is freedom from debt and the fixed charges for interest which debt entails. Second, in at least one county, it was bluntly stated that getting "out from under" 5 or 6 percent interest on money owed looked like better business than investment in War Bonds paying less than 3 percent.

In all counties, farm people are reported to have invested considerable sums in War Bonds although the distribution is not accurately known. Bond purchases have generally been made at the time of the drives. Once purchased, farmers are believed to have held on to their bonds more generally than wage and salary workers. In every county, bank deposits have climbed steeply, in one case to  $2\frac{1}{2}$  times the prewar level, but no break-down as to what proportion of these deposits is agricultural is available.

Despite lumber and hardware shortages, a surprising amount of upkeep work and building construction has gone on throughout these counties. It constitutes an important segment of current spending. Considerable money has gone into buying better-bred livestock and better farm equipment. Demand has been extremely heavy for any new farm machinery offered on the market. The lower-income farmers, especially, have tried to improve their productive resources.

Used trucks and cars have been snapped up as soon as they appeared, often with little regard for normal value. In two counties, at least, used cars have been sold largely to people who before the war could not afford them. Some of these were farm laborers and smaller farmers. Among farmers who before the war bought cars regularly every year or two, it is generally true that the cars they owned when production ceased are still serviceable, and it is the stated intention of many such owners to make present automobiles last until the first pressure of rush buying of cars has subsided.

Sales of household furnishings have been considerable among those who could not previously afford to buy what they needed or wanted. On the other



hand, very little furniture has been sold to farm people whose principal need has been for replacement. Such people, merchants report, have been extremely critical of goods currently obtainable and often say they intend to buy as little as possible until quality has improved.

Some farmers have used their savings for buying land, but local reports indicate that as prices of land increased, the volume of sales to operating farmers declined. However, sales are brisk in small acreages which are being bought by non-farmers, partially as suburban residences and partially as a hedge against expected industrial unemployment. In many such cases the properties being purchased will probably be inadequate for the latter purpose. Such buying is found to be particularly frequent in the suburban fringes and in poorer land areas.

Cues to future expenditures - Where farmers drastically reduced normal agricultural activities to take war jobs but are again turning to the farms for a living, considerable amounts of their savings must be spent for livestock, equipment, and other items, to put their farms on a producing basis again.

Dammed up demands for farm machinery differ in kind but probably not in intensity among the counties. In one county, much expensive wheat-production machinery needs to be replaced. In others there will be a heavy demand for equipment suitable for the small-scale irrigated farms. Tractors, the new hay-harvesting equipment, manure loaders, potato and sugarbeet field machinery, and all kinds of labor-saving equipment will be much in demand.

Farmers are expected to continue to want to buy better livestock to build up their herds and flocks.

In each county, a "sellers' market" for automobiles will continue for a considerable period, probably not less than 2 years after deliveries begin. Chief demands will be in the lower price ranges.

In all counties there will be a strong demand for better housing. Despite the considerable amounts of repair and upkeep work that have been done, housing on farms has lagged increasingly behind needs. As lumber, essential hardware, and other materials become available, a building spurt of sizable proportions is in prospect. In one county a lumber dealer estimated that owners of "Mormon cellar" housing, almost without exception, were planning expansion to complete housing units. Reports of similar pent-up demand came from all counties. Bathrooms and running water will be among the more numerous and important improvements. Electricity will be installed in many of the farm homes not already serviced.

Construction and repair of farm buildings other than dwellings will also be needed in each county. The purchase of tractor and power equipment brings an added interest in providing machine sheds to protect them. Demand for dairy barns qualifying for Grade A milk production is said to be high in at least one of the counties.

Electrical household equipment, when it comes on the market, will find many farm buyers. There will probably be two major types of demand. On



the one hand, there will be those seeking replacements for worn-out goods, and, on the other, there will be those whose wartime savings have enabled them to enter this semi-luxury market either for the first time or for the first time since the depression period. Such items as refrigerators, freezing units, ranges, washers, radios, irons, and mangles will be among the electrical appliances most wanted. Completion of REA projects and the extension of public-utility power lines will contribute to expenditures for electrical goods.

Household furnishings, badly depleted during war years, will be bought in large volume. Dealers in some counties report that, among those whose incomes have been so low as to prevent much buying in the past, purchases have been in considerable volume for some months and promises to continue high. Such purchasers, it was said, buy with little discrimination as to values and quality, apparently feeling that immediate possession after long privation is preferable to waiting for better construction and materials.

Travel, education, and many luxury items are already high on the demand schedules of some farmers and may be expected to play a substantial role in the spending of these people in the future.

Among former low-income families who are now better off, the statement by one that "We're going to get some of the things we've always wanted but never could afford" is indicative of intentions.

This long list of expected expenditures by farm people should not be allowed to obscure an attitude which was frequently encountered in each of the counties. Farmers tend to be pessimistic about the future of agriculture, and it may reasonably be expected that, even when thinking about spending, many are also planning, as was expressed several times, to hold a considerable part of their savings in reserve. Whether in cash, bonds, or other investments, the reserves will be considered an insurance against a future agricultural depression which so many of these families firmly expect. In many families the savings are small. They will have to make choices out of all their needs and wants. There is danger that such choices may not always be in the best long-run interest of the family. The money may go for the first goods offered on the market, whether or not it adds to the permanent family welfare.

#### SUMMARY

During the months immediately following the war's end, some wartime trends of the Northwest's farm population were continued and others were reversed, according to the observations in four sample counties. Where there had been a net loss of farm population, the decrease was checked and, in most communities, was reversed. Where there had been increases in the farm-resident population, as around war centers, population gains were at least held and were usually continued. With the cut-back in war jobs, farmers who had gone into war work without moving from their farms now began to build back their agricultural activities. Families who had bought acreage primarily to have housing gave more attention to farming, as the war jobs ended.



The farm-labor situation continued tight through 1945 but problems were generally met more satisfactorily than in previous war years. The trend toward increased mechanization and use of labor-saving devices continued. Local people expect farm labor to be at least as short in 1946 as before, if the unusual sources such as prisoners of war and Mexican Nationals are not available, and especially if industrial employment is at a high level.

Around war centers and in poor land areas, war workers and veterans are buying poor land because of the high price and scarcity of good land. Whether workers who left rural communities to take war jobs return is expected to be greatly influenced by the number of non-farm jobs. At the end of 1945, unemployment was steadily increasing, especially around areas which had a mushroom expansion with war plants or military installations.

So far there has been little organized activity at the community or county level to deal with postwar employment or land-settlement problems. In county-seat towns, there have been some surveys of postwar employment prospects by local agencies and groups and some organized efforts to attract new industries. Most local governmental units have planned for public works.

Both farm and non-farm veterans are now returning in large numbers. Many agencies and groups provide services for veterans, but these are concentrated in the county-seat towns. Within the county, coordination of activities for veterans' assistance is usually on an informal basis. The extent to which farm veterans will return to agriculture is not yet known. Not many express an interest in becoming farm laborers, but opportunities for renting or buying good farms are scarce. Men having relatives who are farm owners are considered to have the best chance of getting a start soon as an operator. Non-farm veterans who go into agriculture are likely to locate on poor farms and in poor land areas. Generally, the GI Bill loan provisions have not been used by many veterans to get a start in either farming or business. Land prices are too high to obtain a GI loan and "red tape" has been considered an obstacle. Educational assistance rights are usually considered the veteran's "best deal" under the GI Bill. It was too early to tell, in the counties studied, how much advantage was to be taken of these rights. The employment outlook is expected to be important in the veteran's decision to seek further education.

During the war years, all income groups of farm families have used increased incomes and savings to retire debts, to buy war bonds, and to build up bank deposits. The amount of savings accumulated by various groups is judged to be roughly proportional to the amount of productive resources available during the war. Future expenditures will be greatest for improving the farm plant and improving living conditions. New machinery, repair and modernization of buildings, better livestock, home modernization and household furnishings will rank high in the list of purchases. For some, purchases will represent only replacements but for many they will mean an improvement over the past.



